

MINUTES
REGULAR MEETING
CITY COUNCIL

June 6, 2016

Ronnie Thompson, Mayor

Sally W. Sandy, City Manager

Louis E. Vinay, Jr., City Attorney

John H. Cantrell)

Forrest A. Fleming) Councilmen

Sidney Simmons)

Vacant Seat)

Joy Hern-Guzman, Interpreter

I. The meeting was called to order in the Council Chamber at City Hall at 6:00 p.m. by Mayor Thompson.

II. Public Comment – The Mayor stated the guidelines for public comment and speakers were called in order of sign-up.

- Eliot Lytle resides at 212 Sherwood Place. Lytle announced that the Optimist Club has agreed to pay \$15,000 toward the proposed skatepark. He also stated the Skatepark Advisory group had already raised \$2,500. He stated the Optimist Club would like to have naming rights at the park. The City Attorney stated the Optimist Club would need to submit a request and the Council would take it under advisement.

- Pharantceena Harles stated she was present to talk about the Coach Tate Foundation and the 5th Annual Coach Tate Foundation Youth Football Camp. The camp will be held at Patton High School from June 19-22. There are 165 pre-registered and they are hoping for 500 area youth to participate. The camp is for children 6-18 years old and there is no charge to attend. In addition, there will be an NFL Wives Luncheon to be held at the Community House, which is open to the public.

- Manuel Ramirez resides at 2790 Lail Road, Glen Alpine. He was speaking for a family friend who lives in Morganton who received a letter from the City which she did not understand. After determining that the letter was regarding a P&Z notice, the City Attorney stated he would speak to Mr. Ramirez directly and explain what it meant.

No other speakers were signed up so the Mayor recessed the meeting at 6:08 p.m.

III. Business of the Council – The Mayor reconvened the meeting at 6:15 p.m.

IV. Pledge of Allegiance – Councilman Fleming led the recitation of the Pledge of Allegiance to the Flag.

V. Invocation – The invocation was given by the Rev. Dennis Stamper, Chaplain, Carolinas HealthCare System – Blue Ridge.

VI. Introduction of Council – The Mayor introduced the Council and staff.

VII. Retiree Resolution – The Mayor acknowledged a resolution recognizing retiring employee Robert M. Basinger. Robert retired from the City of Morganton on June 1, 2016 with over 20 years' service. Robert retired as Equipment Operator in the Public Works Department.

The Council adopted Resolution # 16-15 honoring retiring employee Robert M. Basinger.

- The Mayor read a resolution recognizing retiring Public Safety canine, Maxo. Maxo was declared to be surplus property, and deemed to pose a potential threat to the public

health and safety, if not provided with proper care and management subsequent to the transfer of the City's ownership in interest in Maxo.

The City's ownership interest in Maxo and all of the equipment associated with him (i.e. lead, harnesses, water bowls, and training equipment) together with all awards, meritorious citations, and other honors were transferred to Major Tony Lowdermilk, free and clear of any purchase price or transfer fee of any kind, in consideration of and on the condition that Major Lowdermilk assume full responsibility for providing adequate shelter, care, and supervision of Maxo for the remainder of Maxo's life without any funding or other assistance from the City.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council adopted Resolution [#16-16](#) retiring Maxo, a canine assigned to the Department of Public Safety and transferring his ownership to Major Tony Lowdermilk.

VIII. Public Advocacy Issues and Strategies

a. The Mayor announced upcoming events including at CoMMA: David Benedict & Michael Moore and The Loose Strings Band; Farmers' Markets continue Wednesdays on North Green Street and Saturdays at the Morganton Depot; and TGIF Concerts continue on Fridays on the Old Courthouse Square.

b. Patriot Award: A Patriot Award was presented to Morganton Public Safety Chief Ronnie Rector by Councilman Forrest Fleming and Ron Bogle, State Chairman, Employer Support for the Guard and Reserve. Bogle stated that on behalf of Secretary of Defense Ashton Carter and ESGR National Chair Major General, Retired, Paul Mach, it was his honor to present the award to Chief Rector. Rector was nominated by Staff Sergeant Roger Tate.

Chief Rector stated his thanks on behalf of the Department of Public Safety and the City. There are many employees in the City who serve the Guard and we are thankful and proud of each of them, he stated. He pledged continued support of those men and women who go above and beyond.

c. Water Resources Update: Brad Boris, Water Resources Director, stated that in the water distribution pipe industry there is a transition from ductile iron to zinc coated ductile iron as a better asset management tool. The zinc coating takes the corrosion and allows the pipe to last longer. He stated these pipes may last over 185 years. He announced that the City of Morganton is the first municipality in North Carolina to install zinc coated ductile iron. He stated the initial cost is 8-10% more but is cost effective because of the life expectancy.

d. Update on Fire Rating: Ronnie Rector, Public Safety Chief, stated in March the State Fire Marshall came to Morganton for inspection as part of the rating response system. Rector stated there are multiple components to the rating response system including a way to evaluate a fire department and to provide a public protection classification which helps insurance companies set rates. The rating systems is designed to be a system of checks and balances. It helps the department to know they are meeting established criteria and meeting the Federal, State, and local standards.

Rector stated that a few years ago the City was rated as a class 4, then fell to a class 5, but with work, this year the City will become a class 3 fire department. The lower a number the better the rating. He stated that the City is the only class 3 department in Burke County; there are only 100 departments in North Carolina rated 4 or above. In the whole United States there are only 3,220 departments which are rated at class 3 or above according to the Department of Insurance website. Homeowners will not receive an increase in insurance payments due to inadequacies in the fire department and business owners may see a reduced rate due to this rating.

Rector stated that credit goes to the Water Resources Department and the water system we have in Morganton. Credit also goes to the Council for funding the needs to

become a better than adequate department and to Public Safety employees who are out doing flow testing, preplanning, etc.

Councilman Simmons asked if the Department of Insurance alerts insurance companies to the change in the fire rating. Rector stated that when someone renews their insurance the company will look where the property is located and looks at the rating then.

IX. North Carolina Municipal Power Agency Number 1 Update – The Manager stated the Annual Meeting will be in August.

X. Consent Agenda – The City Manager presented the consent agenda and asked if any items should be removed. No request was made.

Upon motion by Councilman Simmons, seconded by Councilman Cantrell, and unanimously carried, the consent agenda was approved and each individual item adopted as stated, these being as follows:

- A. Approved minutes for a regular meeting held on May 2, 2016.
- B. Approved tax releases in the amount of \$310.19.
- C. Approved a budget amendment in the amount of \$77,000 to appropriate the contribution and corresponding expenditure for the Etta Baker Sculpture (Morganton Savings Bank / Burke Arts Council).
- D. Appointed Jennie McNeilly as Deputy Tax Collector and approved Resolution #16-17 adopting an Order Directing the Deputy Tax Collector to Collect Taxes.

XI. Items Removed from Consent Agenda – There were no items removed from the Consent Agenda.

XII. Presentation of Proposed Budget for FY 2016-2017 – Presented by Sally Sandy, City Manager. Following is the City Manager’s Budget Message:

June 1, 2016 - Honorable Mayor and Members of the City Council, Morganton, North Carolina

In accordance with the North Carolina Local Government Fiscal Control Act, the recommended budget for fiscal year 2016-2017 is presented for your consideration. The budget document represents balanced revenues and expenditures. Achieving a balanced budget remains a challenge and requires cooperation from all City departments. The capital budgets include equipment replacements, facility improvements, park improvements and funding for updating masterplans. The budget summary by fund is included below.

Statistical Summary

Fund Description	Revised Budget FY 15-16	Requested FY 16-17	Increase (Decrease)	
			Dollars	Percent
General Fund:				
- Operations	18,909,739	18,181,989	(727,750)	(4.00%)
- C.I.P.	4,456,669	3,630,906	(825,763)	(19.00%)
- Powell Bill	673,422	576,930	(96,492)	(14.00%)
Total General Fund	24,039,830	22,389,825	(1,650,005)	(7.00%)
Water Fund	6,154,876	5,890,500	(264,376)	(4.00%)

Electric Fund	34,106,450	33,641,125	(465,325)	(1.00%)
Wastewater Fund	6,528,157	5,339,328	(1,188,829)	(18.00%)
CoMPAS CATV Fund	4,524,745	4,535,000	10,255	0.02%
Cemetery Trust Fund	61,750	11,750	(50,000)	(81.00%)
Subtotal:	75,415,808	71,807,528	(3,608,280)	(5.00%)
Less Interfund Transfers	(667,428)	(688,353)	(20,925)	3.00%
Total Budget:	74,748,380	71,119,175	(3,629,205)	(5.00%)

Not included in the summary above, but presented within this document, is the budget for the Intergovernmental Service Fund. This fund is an internal service fund and represents costs already accounted for within the General and Enterprise Funds. Inclusion of this fund in the statistical summary above would present these expenditures twice.

This budget contains funds for operations and the capital improvement program (CIP) in the General Fund. The General Fund capital program includes equipment purchases, routine and new funding for park improvements, and funding for masterplans for Recreation and Downtown. We continue to fund improvements to existing facilities. The City staff continues to pursue grant and public/private partnership opportunities to finance capital projects. Morganton Department of Public Safety aggressively seeks grants to enhance operations and assist in funding equipment purchases. General Fund CIP totals \$3,630,906. Grant funding for General Fund next year is \$1,110,591.

The utilities include capital programs that appropriate funding for equipment purchases, plant improvements, distribution system, and infrastructure improvements. The total CIP in all utility funds is \$3,013,799. As our infrastructure ages, staff continues to plan for systematic improvements. Masterplanning, rate studies and business model evaluations are taking place in all utility funds.

The 2016-2017 total budget is \$71,119,175 and is \$3,629,205 or 5% less than the revised budget for fiscal year 2015-2016. Once again the continuation and inclusion of capital projects whose duration spans for more than one fiscal year or that get moved to the next fiscal year make that comparison somewhat skewed. The largest reduction is in capital and accounts for about \$2.6 million. Operational decreases are just under \$1 million. Most of the operational savings is in the reduced healthcare costs.

The City of Morganton continues to partner with other governmental partners in the areas of economic development, airport service, public library services, 911-Emergency Services, and narcotics enforcement. In the 2016-2017 budget proposal these entities are funded as follows:

Burke Development, Inc. (BDI)	\$ 255,397
Burke County Library	232,500
Burke County Emergency Communications	240,518
Burke County Narcotics Task Force	20,000
Foothills Regional Airport Authority	<u>46,774</u>
Total	<u>\$ 795,189</u>

These contributions represent 5 cents on the tax rate. The BDI contributions fund operations, local incentives to industry and debt service on the business park. The Foothills airport request includes funding for operations and \$36,917 for capital. The capital request is to accumulate local matching funds for federal grants for airport improvements in the future.

The drug task force continues to operate without an increase in funding request. In addition to the cash contribution, Morganton Public Safety assigns one officer to the task force. At the end of the next fiscal year, Morganton will no longer participate in the Burke County Narcotics Task Force. Joint narcotics task forces have mostly stopped operating as the drug enforcement business has drastically changed. The Department of Public Safety is committed to a safe drug-free community and will always cooperate fully with all law enforcement to achieve that goal.

The library request is the same as last year. Finally, the City continues to budget \$5,000 a year to maintain the library grounds which is in addition to the requested amount in this schedule.

The operational funding for the joint 911-emergency operations continues to be budgeted at \$240,518. Costs vary slightly year-to-year, depending on personnel costs.

The City of Morganton continues to work with local partners of BDI, Burke County, and WPCC to encourage the State of North Carolina to plan for the redevelopment of the Broughton Campus and adjoining state property. The redevelopment of the State property has the potential to be a game changer for our community, this region and all of Western North Carolina. This project is under the direction of the North Carolina Department of Commerce. The opportunity to develop this property and to create economic development at this magnitude adjacent to a new \$150 million State hospital will not come again anytime soon. The first phase of the study conducted by the UNC-School of Government (SOG) Development Finance Initiative (DFI) staff is complete. The redevelopment concept has been presented to State and local partners and legislation is proposed to allow phase two of the process to move forward and remain under the direction of Commerce. The funding for the development of a western campus of the North Carolina School of Science and Mathematics (NCSSM) was approved at \$58 million in the ConnectNC bond referendum. NCSSM could be the catalyst for the ultimate redevelopment of the state properties and for tremendous private investment in this community.

General Fund

The General Fund is the home of traditional government services –public safety, sanitation, street maintenance, inspections and zoning, recreation and administration. By its very nature, the General Fund houses services that are not self-supporting. The General Fund is where community development meets economic development.

Certainly the utilities provide the foundation for development, but the General Fund activities set the tone for quality of life, sense of place, and atmosphere of our City. CoMMA, Recreation, Main Street and the Community House paint our picture, tell our story, and provide opportunities that attract our citizens and our visitors to Morganton. This fund is extremely dependent on ad valorem taxes, sales taxes, and other state collected revenues. This fund is greatly affected by decisions of the NC General Assembly.

The 2016-2017 proposed General Fund budget is \$22,389,825. This is \$1.6 million less than the revised budget for 2015-2016. There are no proposed changes to services currently provided. The goal continues to provide quality service at the most affordable price possible. While continuing to invest in quality of life activities, facilities and initiatives that will attract new development and millennials to our City.

The 2016-2017 budget includes \$325,000 for masterplans. Both Main Street and Recreation departments need updated masterplanning for the next 15-20 years. Current plans are more than 15 years old. The previous plans have served us well by guiding our investments in those programs and allowing us to leverage over \$40,000,000 in private investment in our community. Funding for the plans include a State grant of \$96,107 for the downtown plan estimated to cost \$255,000. Capital reserve funds of \$228,893 will fund the remainder of the downtown plan and \$70,000 for the recreation plan. These plans are investments in our future and road maps to generate development. Since they are so closely related to economic development, one-time capital reserve funds are appropriate to use.

The ad valorem tax rate is recommended to remain at \$0.53/\$100 value. One cent on the tax rate generates approximately \$157,041 which is slightly less than last year. Total ad valorem taxes for fiscal year 2016-2017 are budgeted at \$8,239,934 which represents 37% of the General Fund revenues. Tax revenue is flat which is largely due to depreciation on equipment at our largest taxpayers' facilities being greater this year than the new investment in equipment and upgrades. This is the second year that ad valorem taxes have been flat which is troubling. A continuation of flat tax growth will ultimately lead to the necessity to consider a tax rate increase or changes in levels of service.

We continue to miss the \$215,000 in privilege license taxes that were eliminated by the General Assembly in 2014. To that end, the proposed budget includes \$240,000 in revenue to be generated by a motor vehicles tax of \$20. This tax has been used by other communities for years but it would be a new tax to our residents. The tax would be assessed on personal tagged vehicles once a year and be included on the motor vehicle tax bill generated by DMV. In the last session, the General Assembly made no provision to replace privilege license revenue, but did vote to increase the allowed motor vehicle tax from \$5 to \$30 per vehicle. This \$240,000 represents 1.53 cents on the tax rate and is critical to balancing the budget.

The tax reform movement and actions of the General Assembly related to sales tax have direct impact on the City and funding for general government activities. The sales tax restructure that happened in 2015 was very controversial and pitted NC community against NC community. Sales tax is budgeted at \$3,748,000. This represents an expected 10% growth over the current year with most of the growth coming from the reallocation and a projected increase of \$258,000 to Morganton. After adjusting for the reallocation, Morganton has seen a 7% growth in sales tax in 3 years which is tied to improvements in the economy and more retail choice in the market. Sales tax is the second largest revenue in the General Fund budget.

The downtown special tax is budgeted to remain at \$0.14/\$100 value and will generate approximately \$116,094. One cent on the downtown tax generates approximately \$8,400. The tax rate of 14 cents was set in 1995 and will fund 20% of the Main Street expenditures in 2016-2017.

Solid waste fees are proposed to remain at \$10.00 per month and generate about \$1,142,000 annually. Other state-collected local revenues that are included in this budget are \$1,865,000 in utility franchise taxes, \$78,867 in beer and wine taxes, and \$478,917 of Powell Bill funds.

Occupancy taxes have seen steady increases since the Tourism Development Authority was formed and since there has been a concerted effort to grow tourism. Certainly, Morganton is a big contributor to "heads-in-beds" growth as our festivals, recreational events and attractions grow. The 2016-2017 budget includes \$90,000 of occupancy tax which represents ½ cent on the tax rate and is used for marketing our community and all it has to offer. The Red, White & Bluegrass Festival is included for 2017 at a total cost of \$100,000. The projected revenues are \$80,000. The festival is planned to be a 3-day event and will take place July 1-July 3. July 4th will be a free, family fun day with traditional activities, music and fireworks.

The General Fund includes \$18,181,989 of operations, \$576,930 of Powell Bill expenditures, and \$3,630,906 of capital improvements for 2016-2017. Additional highlights for next year's appropriations include the following:

CoMMA	\$60,000 brick and mortar repair \$73,000 sound improvements
Public Safety	\$400,000 fire truck \$385,000 patrol car replacements \$421,826 fire equipment / gear \$96,000 facilities improvements

The Public Safety CIP is being funded by \$770,000 installment financing proceeds for the fire truck and patrol cars. Additionally, grant funds of \$524,484 are included for equipment.

Public Works	\$178,000 rear loader
	\$52,000 replacement of Good Habit Rabbit
	\$37,500 mowing equipment
	\$265,000 street sweeper

Public Works CIP requests for the rear loader and the sweeper are funded by \$443,000 in installment financing proceeds.

Recreation	\$49,000 weight room upgrade
	\$20,000 Petanque courts
	\$80,000 park improvements
	\$400,000 MLK, Jr. park renovation
	\$180,000 skatepark project
	\$64,000 mowing equipment

The Martin Luther King, Jr. Park renovation is being funded by \$150,000 from Kate B. Reynolds Foundation and \$250,000 from the Recreation Foundation. The two new offerings for next year are the Petanque courts, funded by general fund and the skatepark funded by \$75,000 general fund, \$90,000 Recreation Foundation and \$15,000 private donations.

Lastly, the General Fund budget proposal includes an appropriation of fund balance of \$173,642 which represents just over a penny on the tax rate. Appropriating this amount of fund balance will not cause a violation of your policy of keeping at least a 15% fund balance in reserve. However, like the capital reserve monies for the Masterplans, fund balance should be one-time money.

Water Fund

The proposed 2016-2017 budget is \$5,890,500 and includes no appropriation of retained earnings to balance the budget.

The proposed budget keeps current water rates the same for next year. A household inside the City using 5,000 gallons of water a month will continue to pay \$14.40. Outside customers pay double the inside rates. Morganton continues to have water rates lower than our neighbors and lower than similar utilities across the state. An updated rate study is ongoing. Results and recommendations on rates will be presented to City Council late summer 2016.

In addition to the rate study, an updated 20-year Masterplan is also being completed. For the past several years, we have been investing in improvements at the water treatment plant. Currently, a multi-year capital project to rebuild the clearwell storage tank is underway. The project is being funded with State funds at 0% interest for \$1,258,552.

The 2016-2017 budget continues funding for water tank maintenance of \$309,000 and includes \$350,000 for replacing aging lines. Water usage is growing around 1% year over year. On average, system-wide usage is 48% of total capacity at about 8.7 million gallons per day. Over the last couple of years, water department personnel have replaced out-dated meters and repaired leaking lines. The more accurate meters and leak repairs have reduced non-billed water by 13%.

Electric Fund

The total proposed electric budget for 2016-2017 is \$33,641,125 which is \$465,325 less than the 2016-2017 revised budget. Effective July 1, 2016, the Power Agency is passing on a wholesale rate decrease to Morganton of 0.4%. The wholesale rates are based on an assumption of load growth system wide and adjusted for weather and other variable

factors. This is the second year of wholesale rate decreases made possible by a debt restructuring last year.

During budget year 2015-2016, Morganton customers received a decrease in rates. Once again, staff recommends passing on another rate decrease of 1.6% effective August 1, 2016. We are budgeting to set aside rate stabilization of \$350,000 to offset future wholesale increases. Fiscal year 2015-2016 was an unusual weather year which resulted in a smaller rate stabilization set aside than originally planned.

The average 1.6% retail rate decrease should net \$2.40 a month to a typical residence. Commercial and industrial customers will see monthly reductions ranging from \$21 to \$400. As always, individual usage patterns and other factors will affect the reductions for each customer.

The proposed budget includes a CIP request of \$760,425. Two new trucks costing just over \$350,000 are planned to be financed. The multi-year upgrades to older industrial substations continue with planned investment of \$160,000 to better serve Viscotec and EJ Victor. Additionally, the three-year project to inspect all poles and make necessary replacements continues at an annual cost of \$50,000.

Wastewater Fund

The total proposed budget for fiscal year 2016-2017 is \$5,339,328 and like water, includes no appropriation of retained earnings. Treated wastewater averages about 45% of daily capacity or 4.7 million gallons per day. Modest growth of just less than 1% is anticipated.

The 2016-2017 recommended budget includes no increase in rates for wastewater treatment. Inside customers will continue to pay \$28.38 a month for 5,000 gallons treated. Although not as low as water rates, our wastewater rates are competitive regionally and statewide.

The project to convert the plant from a pure oxygen facility to a traditional treatment facility is in design. The design fees of \$621,170 are in the sewer capital project fund and will be reimbursed from the project borrowing when the project construction is awarded and the financing is closed.

The proposed CIP is less aggressive than the last few years in anticipation of the updated Masterplan, the new rate study and oxygen conversion project. However, sewer line rehab and manhole rehab is included at \$250,000. The Bethel basin rehab work will begin next year and is funded at \$200,000. These systematic investments are paying off as non-billed sewer has been reduced by 12% over the last couple of years.

Cable Fund

The proposed budget for CoMPAS for fiscal year 2016-2017 is \$4,535,000. On the surface, the budget is very similar to this year and it looks like “business as usual”, in reality, nothing could be further from the truth.

In January 2016, the City contracted with a consultant to advise on best business practices to change the business model for CoMPAS or to help us assess if the business should be sold. The consultant concluded and the Council agreed that CoMPAS is a viable business that can serve the Morganton community well and generate positive cash flow with a restructure of the service. The restructure is taking place over the next 18 months. The consultant confirmed that the market for video service through cable television is in tremendous decline while programming costs for the service are growing at roughly 6-10% a year. Customers are choosing to “cut the cable” while turning to other methods of watching selected programming. Video programming costs in next year’s budget is \$1,923,000 or 42% of total budget. In budget year 2018, CoMPAS will be in a contractual position to drop duplicate channels and to cut that cost.

Meanwhile, the demand for reliable and superfast internet service continues to grow. The internet pipe is actually the technology that is providing alternate means for customers to watch television. Our consultant has encouraged the City to take advantage of excess internet capacity already in our system and to grow our customer base in that segment of our business. Growing internet customers is the key to a financially successful CoMPAS.

In short, we are transitioning from a cable television business to an internet business. Television will still be provided to CoMPAS customers, but the business model will require pricing video products at market rates and tightly monitoring future capital expenditures in that area. To that end, effective August 1, 2016 some equipment costs and premium programming costs will increase. Costs for equipment will increase from \$2.00/month to \$7.00/month depending on the equipment type. HBO will increase from \$15.95/month to \$17.95/month. In January 2017, programming costs will increase 8%. Basic cable service will go from \$70.95/month to \$75.63/month. The budget conservatively includes an assumption of the continual erosion of cable customers.

Phone service will remain priced at the same level as today. The usage of home landlines is decreasing. Business customers provide the greatest opportunity for growth in phone customers.

The biggest changes in CoMPAS offerings will be associated with internet service. The emphasis will be on more speed at market prices. Options for speeds in internet service will be streamlined to better match the market. Customers who receive the lowest residential speed of 10Mbps for \$39.95/month will be grandfathered at that price, but will begin paying a \$2.00/month fee for modem rental. The 20 and 30 Mbps speeds will be eliminated. The customers currently receiving those services will be upgraded to 50 Mbps service priced at \$49.95/month. The \$10/month bundling discount will remain in effect for one year. Next year the discount will drop to \$5.00/month and by year 3 (2018) it will be eliminated. Internet customers are projected to grow by 236 next budget year. Two hundred are residential and 36 are business customers. New speed options and pricing effective August 1, 2016 will be as follows:

	<u>Current 15-16</u>	<u>Proposed 16-17</u>
Set tops:		
Standard Definition – Primary box	\$5.00	\$7.00
Standard Definition – Additional box(es)	\$4.50	\$7.00
High Definition – Additional box(es)	\$7.95	\$9.95
DVRs:		
Standard Definition DVR		
Additional recorder(s)	\$7.95	\$9.95
High Definition DVR – Primary recorder	\$9.95	\$14.95
High Definition DVR – Additional recorder	\$7.95	\$14.95
Modem:		
Cable Modem w/o voice - \$39.95 level only	\$0.00	\$2.00
Internet:		
Res – 200Mbps/4Mbps to 50M/10M	\$54.95	\$49.95
Res – 30Mbps/7Mbps to 50M/10M	\$69.95	\$49.95
Res – 50Mbps/10Mbps	\$89.95	\$49.95
Res – 100Mbps/20Mbps	\$134.95	\$59.95
Video:		
HBO	\$15.95	\$17.95
Other fees:		
Reconnect fee	\$15.00	\$30.00
Wire Maintenance	\$0.95	\$2.95

System investments for next year as requested in the CIP total \$153,200. This amount includes \$50,000 for system expansion to new customers, an upgrade to our troubleshooting system for \$50,000, and \$20,000 for fiber activation.

These recommended changes should make CoMPAS cash flow positive by June 30, 2017. The budget includes funding of \$18,000 to continue with the services of our consultant through this transition.

Cemetery Trust Fund

The Cemetery Trust Fund is a fund designed to accumulate funds for maintaining the City owned cemetery and providing perpetual care for that property. The budget for 2016-2017 is \$11,750 Lot and niche sales and marker sales remain around \$10,000-\$12,000 per year.

The newly constructed columbarium was opened during this year with niches for sale. As cremation becomes more popular, the columbarium will fill the need for our citizens to have a beautiful and respectful place for interring loved ones.

The proposed budget does not include using any one-time funding from the original fund since no capital projects are planned for next year.

Intergovernmental Service Fund

The Intergovernmental Service Fund includes the Warehouse and Garage and the Information Resources Management Services (IRMS) Department. The total budget for these services for 2016-2017 is \$2,057,065 which is slightly less than last year. These departments provide services to the other funds.

The IRMS budget is \$975,065. Much like the utilities budgets, IRMS has projects that span multi-budget years. Contracted services which include support costs for hardware and software are \$286,580 or 29% of the IRMS budget. As technology continues to be a significant vehicle for how we serve our customers, annual costs increase. The upgrade to the studio is complete and next year we will turn focus to a document imaging project. Document storage and retrieval is crucial for City business and is budgeted at \$50,000 next year.

The 2016-2017 budget includes \$352,000 for inventory purchases which is a slight decrease from the current year. Purchasing and warehouse staff continue to work closely with departments to keep inventory on hand to perform required work while ensuring products on hand and costs of carrying inventory are not excessive.

The equipment services budget for 2016-2017 is \$730,000 which is exactly the same as the current budget. The fuel purchases line item at \$475,000 represents 65% of total budget. Fortunately, gas prices have remained low for several years which has allowed us to reduce that budget. The CIP recommendation is \$48,000 and includes a new brake lathe and a new air compressor. This is the first capital investment at the City garage in several years.

Personnel Issues

The proposed budget includes funding for 282.25 positions. Currently, 37.25 allocated positions are not filled and not funded in this budget.

The budget proposed for fiscal year 2016-2017 includes a 1.0% cost-of-living adjustment (COLA) for all employees that would be effective with the pay period beginning July 9, 2016. The total cost of the COLA city-wide is \$112,190.

In addition to the COLA, this budget also includes a 1.5% merit award that would be effective for eligible employees for the pay period beginning on March 4, 2017. This will be the second year that merit awards have been available since 2009. Employees receiving acceptable performance reviews will be eligible for merit. Merit rewards high performing employees and helps to address pay compression.

Reinstating a merit system is one tool to attract and retain a well-trained and motivated workforce. Another tool is competitive pay. The 2016-2017 budget includes \$40,000 for

a pay and classification study. The last study was conducted in 2004. The study will compare Morganton's pay grades and salaries to similar organizations in the public sector and to private sector pay where appropriate. Results of the study would not affect budget until fiscal year 2017-2018.

During the current year, Morganton shifted from being self-insured to being fully-insured. On January 1, 2016, Morganton joined the State Health Plan for active employees. Qualifying retirees were transitioned to a Blue Cross Blue Shield plan. This transition means that the taxpayers of Morganton are no longer bearing the direct risk of health insurance claims. This transition resulted in a savings from budget to budget of over \$700,000 in the costs of health insurance to employees and retirees.

The total cost for insurance benefits next year is \$1,178,756 for active employees and \$739,385 for retirees. Law enforcement separation allowance has increased \$39,095 and is funded at \$189,669 next year.

Summary

The 2016-2017 proposed budget is \$71,119,175. No services currently provided are being decreased or eliminated. Funds are provided to do future planning for downtown development and recreation. CoMPAS is being restructured with emphasis on internet service. No ad valorem tax increase is proposed, but a new motor vehicle tax of \$20 a year is included. Traditional utility rates are remaining the same or decreasing slightly. Department Heads and the City Council have worked together to create a budget that is fair and reasonable.

Recognizing all the hard work and difficult decision making that goes into creating a \$71 million budget, I want to thank the department heads, the dedicated employees who continue to do the work, the City Council for guidance and especially Karen Duncan, Finance Director, for her oversight and commitment to the budget process.

However, this year I wish to propose a challenge with this budget – Morganton and Burke County are at a significant crossroads. How we navigate and more importantly, how we as a community influence and orchestrate this crossroads, sets the stage for success or failure in the future. The choice is ours. Change is a fact-of-life and we are living in a time and in a place experiencing great change.

The journey from our furniture and textile roots to advanced manufacturing, creative entrepreneurship, and science and technology opportunities continues. The journey is not easy. The challenges of attracting young people and their families to choose a life in this community are real. As we work to attract new business and jobs, we suffer the loss of existing business and jobs. In a time where 24-hour news, instant "knowledge" through social media and polarized, divisive leadership rules the day, leading a community into a successful future is harder than ever.

In the movie, The Blind Side, Michael Oher, a kid whose circumstances have made him a lost cause, easily written off by society got a second chance. He was taken in and supported by a family, a teacher, and a coach who were unwilling to give up on him. During his journey from certain failure to success, Michael writes an essay about courage and honor to earn a grade that will make him scholarship eligible for college. Michael chooses to write about *The Charge of the Light Brigade*. In his essay, Michael writes..."Courage is a hard thing to figure. You can have courage based on a dumb idea or mistake...Sometimes you might not even know why you're doing something. I mean any fool can have courage. But honor, that's the real reason you either do something or you don't. It's who you are and maybe who you want to be. If you die trying for something important, then you have both honor and courage, and that's pretty good."

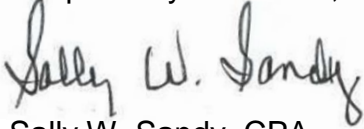
So, how does this relate to the budget and what is the challenge? I propose to the community of Morganton that this budget represents courage – it supports the provision of basic service, it supports beautifying our community, it supports safety in our community, it supports development and it supports reinvesting in critical infrastructure. Our day-to-day services represent courage.

Now for the challenge. The challenge, as I see it, is to serve with courage, but to find the strength to add honor. It is the honor that will challenge us to strive for more. I believe it is our challenge to build on the budget to strengthen our partnerships, to identify new initiatives in our masterplanning, to fight for the redevelopment of the State property, to continue to invest in our quality of life amenities, to support initiatives that make Morganton special and to remain committed to supporting existing businesses while working to attract new business. It is our challenge as a community to not only be who we are today, but to define who we want to be and then to do what it takes to ensure that is who we become. Working together to achieve our dreams and success for this community is how we serve with both courage and honor.

Incidentally, it worked out for Michael Oher as he went to Ole Miss on a football scholarship, was drafted by the Baltimore Ravens and now is a Carolina Panther!

I remain humbled and honored to serve with a team of individuals who believe in the value of the whole. I am grateful for the opportunity to live, work and play in a community not satisfied with sheer existence, but one that strives for greatness.

Respectfully submitted,



Sally W. Sandy, CPA
City Manager

The City Manager highlighted various items in the budget and offered to answer any questions from the Council.

a. Consideration of Calling for Public Hearing on the Proposed Budget on Monday, June 20, 2016, 6:00 p.m. in the Council Chamber at City Hall

Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously, the Council called for and approved a meeting to be held on Monday, June 20, 2016 at 6:00 p.m. to hold a public hearing and vote on the proposed budget.

XIII. New Business

A. Public Hearings and Actions

1. Public Hearing to Consider Rezoning Four Areas Within the Municipal Service District to a Central Business District (CBD) Zoning Classification

The Mayor opened the public hearing at 7:10 p.m.

The City Attorney stated that staff has identified four (4) separate areas within the Downtown Special Tax District that were inadvertently excluded from the Central Business (CBD) zoning district during the 2014 Zoning Map revision process. At that time, it was the intent of the staff to place all Downtown Special Tax District Properties under a CBD classification. This boundary unintentionally changed over several map alterations. This left four different areas on the edge of downtown outside the CBD but within the Downtown Special Tax District. These areas are presently zoned LID or MID and are shown on the attached maps. Each of these areas are recommended for inclusion in the CBD Zoning District. The majority of these properties are already used for central business type uses or remain undeveloped. This rezoning would bring the properties into a more conforming situation and eliminate undue hardship to the property owners.

This item was considered and recommended for unanimous approval by the Planning & Zoning Commission on May 12, 2016. The staff has reviewed the objectives of the Mission 2030 Plan and finds that this action is in compliance with the goals and objectives set forth in the Plan.

A Public Hearing Notice was advertised in the Morganton News Herald on May 20 & 27, 2016. First Class mail notices were mailed to all property owners of record as well as property owners adjacent to the subject properties on May 18, 2016 and a Rezoning Sign Notice was placed in each subject area.

The City Manager stated this does not change any tax rates. The Attorney stated this was only a zoning issue.

Laurie Hopkins stated she is a property owner in one of the areas under consideration. She questioned if this rezoning would change the property tax rate. The City Attorney stated no it would not, then explained the Municipal Service District, what it encompassed and what the special tax was used for. He then clarified that the taxes would not change. Mrs. Hopkins asked what the Mission 2030 project was. The City Manager stated it was a two-year project and planning process that worked on land use and creating goals and initiatives that will create growth and economic development within the City. It is a comprehensive plan used to develop properties with economic development in mind. Mrs. Hopkins asked if there was a specific plan for the area where her property is located. The City Manager stated that her property falls within the downtown area of the plan and there are no specific plans but work will begin in the next few months on a new Downtown Masterplan.

There being no further public comment, the Mayor closed the public hearing at 7:19 p.m.

Upon motion by Councilman Fleming, seconded by Councilman Simmons, and carried unanimously, the Council confirmed that the requested amendment is in compliance with the Morganton Mission 2030 goals and objectives.

Upon motion by Councilman Fleming, seconded by Councilman Simmons, and carried unanimously, the Council adopted Ordinance #16-28 that amends the Zoning Map of the City of Morganton to rezone four separate areas adjacent to the downtown from their present LID or MID zoning classification to a Central Business District (CBD) zoning classification.

2. Public Hearing to Consider Amending Section 5.4.3.2 (F) of the Zoning Ordinance to Specify Landscaping Standards Around the Base of All Freestanding Signs

The Mayor opened the public hearing at 7:20 p.m.

The City Attorney stated that subsequent to implementing the new Zoning Ordinance, the City Staff has discovered that the part of the new ordinance to requiring landscaping at the base of freestanding signs was vague and that more specific requirements are necessary to fully achieve the desired results. This proposed amendment alters the current ordinance language to specifically require a minimum of eight (8) small shrubs, or one medium shrub for every two small ones, within an area of 50 square feet around the base of a freestanding sign.

This amendment would not apply to existing freestanding signage unless alterations were made to the sign. This amendment was recommended for approval the Planning Commission on May 12, 2016.

This Public Hearing was advertised in the Morganton News Herald on May 20 & 27, 2016.

There being no public comment, the Mayor closed the public hearing at 7:23 p.m.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council confirmed that the requested amendment is in compliance with the Morganton Mission 2030 goals and objectives.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council adopted Ordinance #16-29 amending Section 5.4.3.2 (F) of the Zoning Ordinance to specify landscaping standards around the base of freestanding signs.

The Mayor called a 5 minute recess at 7:25 p.m. to give a break to the interpreter for the deaf community.

The Mayor called the meeting back to order at 7:30 p.m.

3. Consideration of an Ordinance and Order Directing the Inspector to Effectuate the Purposes of Article E, Part 9 of the Charter and Code of Ordinances for the City of Morganton Regarding Property at 218 Jefferson Street

The Mayor opened the public hearing at 7:30 p.m.

The City Attorney stated the property at 218 Jefferson Street is owned by Jonathan H. and Kelli H. Huggins. Based upon investigations since 2009, the Building Inspector has issued and served upon the Property Owner a Notice of a Hearing and complaint letter dated March 2, 2016, setting a hearing date for March 28, 2016 at 10 a.m. to discuss the results of the investigation and notifying the Property Owner. The hearing was conducted by the Chief Building Inspector, Mike Crotts, pursuant to Ordinance, to determine if there was a basis for concluding that the structures located on the Premises were unfit for human habitation, and/or were “abandoned structures” as defined by § 9-2064 of the Code. The Chief Building Inspector conducted a hearing with of the Property Owner in City Hall at 10:00 a.m. on March 28, 2016, pursuant to § 9-2068 and 9-2069 of the Code of Ordinances. Subsequent to that hearing the Building Inspector issued an Order dated April 1, 2016, in which the Inspector found that the building/structure located at 218 Jefferson Street is in an un-kept state of repair and dilapidation; has defects increasing hazards of fire, accident or other calamities, lack of ventilation, light or sanitary facilities; and other conditions rendering such dwelling unsafe, unsanitary, dangerous or detrimental to the health, safety or morals, or otherwise inimical to the welfare, of the residents of the city. The building/structure has windows and doors that have been boarded and are now open again at this time the dwelling at 218 Jefferson Street is unfit for human habitation, and said dwelling cannot be sufficiently repaired, altered or improved at a cost of less than 60% of its value. The dwelling at 218 Jefferson shall not be re-occupied, and shall be secured by the owner against access by any persons. That a placard was posted on the main entrance of the dwelling structure stating: The building is unfit for human habitation; the use or occupation of this building for human habitation is prohibited and unlawful. The owner was given 30 days from April 1, 2016 to either begin repair, alter or improve the dwelling so as to render it fit for human habitation.

The Property Owner has since notified the Chief Building Inspector that they do wish to proceed with repair of the structure, but need an extended period of time to perform the necessary repairs.

The Building Inspector hereby requests the City Council to adopt an ordinance ordering the Building Inspector to proceed with demolition, as provided in Section 9-2070 of the Code of Ordinances.

The City Council has appropriated \$50,000 in its nuisance abatement budget for 2016-17 and an additional \$17,000 in CDBG Funds for Slum and Blight Removal. It is estimated that this item will use approximately \$10,000 of this amount.

Mike Crotts, Senior Building Inspector, stated he has been following this property since about 2006. Vagrants and neighborhood children were entering the property and the owner boarded the property helping to eliminate that, however the boards have been taken down. It needs to be boarded and repairs started immediately. Councilman Fleming asked how long it has been under his view. Crotts stated he has been watching it since 2006. Crotts stated the owner purchased a building permit in '09 but did not do any work and permit expired. As of this date, no work has been done.

Heath Huggins, property owner, stated that he wants to repair the property so he can turn it into a rental property. He stated he began work, but people broke in and stole wire and equipment. He had been working a little at a time, but realized the only way he could safely get the work done is by increasing his working capital. In 2009 he was laid off and is now working on a commission based job while also working on an accounting degree so he can get a better paying job to increase his funding. He is asking for another year in which to get the work completed. He stated he has had a detached retina which rendered him unable to do heavy lifting. He stated he is still working on raising money. He requested the Council's consideration of extending his deadline.

Councilman Fleming asked what he thought the cost of getting to the house back to a livable condition. Huggins stated he estimates between \$15,000-17,000 to rewire, plumb, etc.

Councilman Simmons asked how long he has owned this property. Huggins stated he has been owner since 2008-2009.

Councilman Cantrell stated it was hard to believe that Huggins will get anything done after he has had 10 years in which to do something. He stated the Huggins property is reducing the value of the neighboring homes.

Mayor Thompson stated that Councilman Cantrell's statement was important. Councilman Cantrell stated he feels this will continue and continue and is not fair to the other property owners. It is a tough decision to make but it is the right decision.

Councilman Simmons stated there are others in the audience who have had the same issues and we need to treat everyone fairly.

There being no further public comment, the Mayor closed the public hearing at 7:45 p.m.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council adopted Ordinance #16-26 and order to effectuate the purposes of Article E, Part 9 of the Charter and Code of Ordinances for the City of Morganton regarding property at 218 Jefferson Street.

B. Other Business

1. Consideration of a Resolution Authorizing the City of Morganton to Submit a Grant Application to the Appalachian Regional Commission (ARC) in the Amount of \$1,070,420 for the Hospitality Transportation Access Project

The City Manager stated that this project involves the construction of a new public access road for the purpose of developing a multi-site Hospitality Service Development. The Project site is located in the Northwest Corner of Exit 105 off Interstate 40 in Morganton, NC. The new access road will become part of the City of Morganton's Public Street System and be permanently maintained by the City of Morganton upon its completion. Up to five (5) new commercial sites will be created from approximately twelve (12) acres that lie adjacent to this new roadway. The roadway will serve as the first leg of a one mile frontage connector road proposed adjacent to the southern right-of-way of I-40 between Exits 105 & 104. The City will design, contract, manage, permit and inspect all roadway construction. The City is partnering with a private developer to donate the necessary right-of-way and construct a new mid-upper level select service hotel complex on one of the five (5) sites and a full service restaurant on a second site.

Three additional sites are also envisioned for future development. The roadway project will be completed by July 1, 2018 with hotel construction underway as well. This roadway project designed for hospitality development will enable Morganton to advance its growing tourism industry, expand the tax base and create 45 new hospitality industry jobs over the next 3 years.

Upon motion by Councilman Simmons, seconded by Councilman Cantrell, and carried unanimously, the Council adopted Resolution #16-18 authorizing the application for \$1,070,420 in ARC funds.

2. Consideration of a Request Submitted by Roger Drayer to Permanently Close and Abandon an Unopened Cul-de-sac Right-of-way at the End of Raintree Lane

The City Attorney stated that Roger Drayer, who owns property at the end of Raintree Lane has indicated that the City of Morganton Engineering Department agreed to abandon a section of unopened right-of-way at the end of Raintree Lane in 1999, and that this abandonment was negotiated during a street petition improvement process and in exchange for new right-of way to construct the cul-de-sac which was built 97 feet short of the actual platted cul-de-sac. The street was shortened due to steep topographic conditions beyond its present location.

Mr. Drayer has asked that the City honor its negotiations at the time by officially closing and abandoning the unopened cul-de-sac right-of- way adjoining his property. The City staff could find no evidence that this closure was part of the negotiated settlement or street petition process; however, if the City Council wishes to pursue this matter further, a Resolution of Intent must be approved setting a Public Hearing for the August Council Meeting. This Resolution also initiates and sets forth the required notification process in accordance with N.C.G.S. 160A-299.

Upon motion by Councilman Fleming, seconded by Councilman Simmons, and carried unanimously, the Council adopted Resolution #16-19 of Intent to Permanently Close and Abandon a Portion of Unopened Cul-de-sac Right-of-Way at the End of Raintree Lane and set a public hearing date of Monday, August 1, 2016 at 6:15 PM in the City Hall Council Chambers to consider this action.

3. Consideration of a Sidewalk Encroachment Agreement for 113 East Union Street

The City Manager stated that the owners of 113 Union, LLC have requested that the City of Morganton allow a sidewalk encroachment in front of the property located at 113 East Union Street, for the purpose of constructing a decorative railing with stool seating across the front of the new establishment for the purpose of dividing outdoor seating from the public way.

Attached is a Sidewalk Encroachment Agreement with drawings and photographs of the proposed encroachment for City Council consideration. The Grantees are in the process of developing the property so that it can be used as a handcrafted cocktail bar and restaurant on the lower floor with a small amount of outdoor seating. The decorative divider will provide a barrier between the public sidewalk and outdoor seating area. A wooden planter at stand up height will provide this barrier. The staff have reviewed the plans and determined that adequate room will remain on the sidewalk for both the improvement and public passage. The encroachment agreement also set forth terms and conditions in the future for the encroachment to be removed if it is determined necessary by the City or NC Department of Transportation.

Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously, the Council adopted a sidewalk encroachment agreement for 113 East Union Street with 113 Union, LLC.

4. Consideration of Approving a Water Contract with Brentwood Water Corporation

The City Manager stated that since 1977, the City has been selling water to the Brentwood Water Corporation under an agreement, since amended several times, which agreement expires June 7, 2016. Among other things, the present contract requires the City to provide up to 35,000,000 gallons per month, at a price equal to twice the rate we charge customers inside the City limits.

With the current contract about to expire, both parties are interested in a new agreement, a draft of which is attached. This would be for a term of 10 years, and would

increase the maximum water supply to 40,000,000 gallons per month (Brentwood has recently been taking a monthly average of about 25,000,000 gallons). The price would be as set by the City's policies on "outside" customers---currently, twice the rate for customers inside the city limits. Provision is made for compensation to Brentwood if the City annexes any of its service area and thus takes over its lines or equipment. There is also to be regular monitoring for accuracy of the City's meters at the four "points of delivery" connecting the two systems. Another clause gives the City a kind of "right of first refusal" to serve any new significant industrial customer within the Brentwood service area.

This new contract has been negotiated by City staff, especially the Water Resources Department and the City Attorney, in cooperation with the Brentwood board. Essentially, the new agreement would continue the basic arrangements of the current one.

Upon motion by Councilman Simmons, seconded by Councilman Cantrell, and carried unanimously, the Council approved a Water Purchase Contract between the City of Morganton and Brentwood Water Corporation and to authorize the Mayor or the City Manager to execute and issue that agreement on behalf of the City together with the additional authority to make such alterations, technical amendments and changes as may be necessary to implement each of the agreements.

5. Appointments to Boards and Commissions

a. Human Relations Commission

The Human Relations Commission (HRC) is a committee established by the Mayor and City Council to address matters involving race, discrimination, human relations and to encourage and promote tolerance and goodwill to all people. By putting together this committee the Mayor and City Council get a closer look at ways of improving our city for all.

At last month's City Council meeting the Mayor reappointed Jill King and Buddy Armour to the HRC. He also appointed Gale Jones to the commission, leaving one vacancy.

Tricia Evans Hunt has expressed interest in being appointed to the commission. Barbara Myers, whose term has just expired, has expressed a willingness to continue serving on the Human Relations Commission

The Mayor appointed Trisha Evans Hunt to the Human Relations Commission for a term to expire on May 3, 2019.

b. Board of Adjustment

There are three vacancies on this board due to term expirations.

Those with expiring terms include: Beth Walker, Bryant Lindsey and George Bailey. Beth Walker has asked not to be reappointed.

Bryant Lindsay and George Bailey have been consistent members of the Board of Adjustment and have expressed a willingness to continue serving.

Susan Shelor, Dale Brittain, and Richard Garrison have expressed an interest in serving on this Board.

Upon motion by Councilman Simmons, seconded by Mayor Thompson, and carried unanimously, the Council appointed and/or reappointed Dale Brittain, Bryant Lindsay, and George Bailey to the Board of Adjustment for terms to expire on June 3, 2019.

c. Cable Television Commission

There are two vacancies due to term expirations of William Robertson, Jr. and Dr. Audrey Garvin (NCSD); along with two other vacancies for AARP and high school representatives.

William Robertson and Dr. Garvin have both expressed a willingness to continue serving.

Bill Harkins has sent letters to the high school and AARP seeking candidates. It is likely it will be fall before we hear about a high school appointee. Bill received a recommendation from the AARP asking that Jim Cates be appointed as their representative on the Commission.

Lolita Jenkins has also expressed an interest in serving on this commission.

Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously, the Council reappoint William Robertson, Jr. and Dr. Audrey Garvin as members of the Cable Television Commission for terms to expire on June 1, 2019.

Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously, the Council appointed Jim Cates as the AARP representative for the term to expire June 1, 2017.

d. Community Appearance

There are three terms expiring on this Board, which is appointed by the Mayor. Duke Logan does not wish to continue as a commission member at this time.

Bill Lennon and Eddie McGimsey have been consistent members of the Community Appearance Advisory Commission and are willing to continue serving on this Commission. It is recommended by staff that they be reappointed with terms to expire on June 1, 2019.

This leaves one vacancy on the commission. Liz Beach has expressed an interest in becoming a member of this advisory commission.

The Mayor announced he will reappoint to the Community Appearance Advisory Commission Bill Lennon and Eddie McGimsey and to appoint Liz Beach all for terms to expire on June 1, 2019.

e. Mainstreet Advisory

This Commission is appointed by the Mayor.

Crawford Craige (Crescent), Jerry Norvell and Bobbie McCombs have expiring terms. Crawford Craige no longer has an office in the Morganton area.

Jerry Norvell and Bobbie McCombs have been consistent members of the Mainstreet Advisory Commission and are willing to continue serving on this Commission. It is recommended by the Advisory Board that they be reappointed with terms to expire on June 30, 2019.

It is also recommended that Collin Suttles, Brown Mountain Bottleworks, be appointed to fill the seat vacated by Craige.

Janell Wakefield has also expressed an interest in serving on this advisory commission.

The Mayor reappointed Jerry Norvell and Bobbie McCombs to the Mainstreet Advisory Commission with terms to expire on June 30, 2019.

The Mayor appointed Collin Suttles to the Main Street Advisory Board for a term to expire on June 30, 2019.

f. Planning & Zoning

The City Manager stated the following three individuals have terms expiring: Judy Francis, Hank Dickens, and Pete Wallace. Kim Woolard has tendered her resignation due to her family's move to Raleigh; her term would expire in June 2017.

Judy Francis, Hank Dickens, and Pete Wallace have been consistent members of the Planning and Zoning Commission and are willing to continue serving.

Don Smith has been the County appointee on the Planning and Zoning Commission since 2013. He has recently moved into the City limits. It is the recommendation of the Commission that Mr. Smith be appointed to fulfill the term vacated by Mrs. Woolard. We will work with the County to determine a replacement appointee for the ETJ seat vacated by Mr. Smith.

Richard Garrison has also expressed an interest in serving on the Planning and Zoning Board.

Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously, the Council reappointed Judy Francis, Hank Dickens, and Pete Wallace to the Planning and Zoning Commission for terms to expire on June 3, 2019.

Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously, the Council appointed Don Smith to fill the unexpired term vacated by Kim Woolard which expires June 3, 2017.

g. Recreation Advisory

There are three vacancies due to term expirations: Harvey Daw, Tim Johnson, and Chris Witherspoon. On this board one cannot be reappointed until a year has passed.

Staff has presented the following names for consideration: Stephen Grady, Butch McSwain and Sharon (Sherri) Morris

Upon motion by Councilman Simmons, seconded by Councilman Fleming, and carried unanimously, the Council appointed Stephen Grady, Butch McSwain and Sharon (Sherri) Morris to the Recreation Advisory Commission for terms to expire on June 30, 2019.

c. 30-Day Notice for Boards and Commissions – The Mayor announced that the term of Mark Miller on the ABC Board is set to expire August 5, 2016.

XIV. Other Items from City Manager and City Council Not on Agenda

XV. Reports – Reports were distributed for information.

XVI. Adjournment – The meeting was adjourned at 8:02 p.m.

Preparation of Minutes. These minutes were prepared by Mikela D. Russell, Assistant City Clerk. Copies of all resolutions, ordinances and orders referenced in these minutes are intended to be incorporated into these minutes as if fully set forth herein. Prior to including them into the official minute book, the minutes have been read and approved by the City Manager and the City Attorney, then distributed to each member of the City Council for further review and final approval, at a subsequent Council Meeting.

Mayor

Assistant City Clerk